The Emerging Middle Class

Even countries mired in poverty have a middle class. It is these international consumers that firms would like to identify.

But the characteristics that define it, when it becomes a significant market in a particular country, and the signs that indicate that a middle class is emerging are not altogether clear.

Researchers concerned with international population and development rarely focus on the middle class. Once people reach the middle class, presumably they can stand on their own without assistance to meet their basic needs. The middle class is not interesting to sociologists or the development agencies that fund many of their studies because members of the middle class do not demand government attention or non-profit agency assistance. Yet, even in poor countries where the middle class is in the minority, its influence is strong because it is the status poor people aspire to reach, and political decisions usually favor its continued power and well-being.

For companies selling consumer products, the middle class may well be the first indicator that there is a potential market. Estimating the size of the middle class is one way of determining whether the potential is large enough to bother with.

Once the firm has established that the middle class is large enough to provide a market, the next step involves collecting small area data that will allow you to determine exactly where the middle class is located and plan a market entry strategy if you cannot reach the whole country at one time.

Cars and Cooling Systems

Harvard University demographer Nathan Keyfitz, describes the worldwide middle class culture brought to the Third World by the United States and Europe as including: "centrally heated and cooled homes equipped with television sets and refrigerators, transport by automobiles, and procurement of foodstuffs and other supplies in self-service supermarkets."

In an article published as part of a special symposium issue of *Economic Development and Cultural Change* (April, 1982, University of Chicago Press), Keyfitz finds this middle class most often in cities with paved streets. The cities are connected by paved roads and airlines. "Literacy is essential to it," he says, "and the daily press and monthly magazines are conspicuous along with television. The content of its press and other media has remarkable similarity worldwide: local, national and world politics; urban crime; and other problems like the cost of living that arouse its mass public."

Keyfitz suggests national and regional variations among the middle classes. Language is one, of course. The goods on supermarket shelves, types of cars used, and energy use are others. But the differences are small, he says.

On the basis of his analysis, which includes such tangibles as automobile ownership (available for 75 countries), energy consumption, and gross domestic product, Keyfitz estimates there were 700 to 800 million middle class people in the world in 1980. Only 196 million of them were in the United States.

If the trend toward additions to the middle class continues, he says, there will be an estimated 20 million new entrants every year.

Based on gross domestic product as an indicator, Keyfitz puts the middle class in Brazil at about 14 million out of a total population of 122 million, and in India, 10 million out of 667. He estimates that 26 of the 56 million people in the United Kingdom are middle class and that 12 of the 15 million people in Australia fall into that category.

Of 118 million people in Japan in 1980, Keyfitz estimates that 65 million or 55 percent were middle class. This figure corresponds closely with estimates of a Japanese economist, Yasusuke Murakami.

In a reprint published in 1980 by the Foreign Press Center of Japan, "The Reality of the New Middle Class," Murakami said that at least 60 percent of the Japanese population was middle class.

He based his argument on attitude polls in which a majority of people considered themselves middle class, on a rising standard of living, diminishing disparities in income, and increasing homogeneity in lifestyles.

"The number of high school students going to college and university is now approaching the 40-percent level and no one is surprised to hear of a farmer's son or the daughter of a

continued on p. 10

Jon Reis

Country Profile

Hungarian People's Republic

Those who believe Hungary is not a capitalist country need only consult Erno Rubik, the Hungarian professor who invented Rubik's cube.

Socialism is practiced in a modified form. Businesses that do not show a profit are threatened with shut-downs and members of Hungary's 2,000 co-operative farms are allowed small private plots to grow products for sale. In many ways, Hungary has combined aspects of both capitalist and socialist economies, resulting in what former Soviet Premier Nikita Khrushchev once disparingly called "goulash socialism."

Hungary, about the size of Indiana, is one of only three European countries with no sea coast. Traditionally, its trade has been limited to European countries, but that is slowly changing. Imports from the United States rose from 1.9 percent of all imports in 1979 to 2.7 percent in 1980. Although these percentages are small, the United States was the eighth largest contributor of imports (after the Soviet Union) among 111 countries with which Hungary trades.

Population Growth

Tourism to Hungary grew by 133 percent during the 1970s, compared with only a 3.8 percent increase in population. Almost as many people pass through Hungary as live there. One result is a thriving tourist trade and opportunities in hotel construction and services.

The 1980 Hungarian census recorded a population of 10.7 million, while vital statistics for that year reported 9.4 million tourists. The figures include border crossings from Czechoslovakia and Yugoslavia, the two countries with which Hungary shares the longest boundaries. (Yugoslavia is home to approximately one-half million Hungarians: they form the second largest non-Slavic ethnic group there, after Albanians.) The flow of people across Hungary's borders reflects the interaction Hungarians have with people from other countries — and may be one reason why the country is more Westernized than many of its Eastern Bloc neighbors.

Not many of Hungary's foreign visitors stay; there is no population growth through net migration. Hungary actually lost population in 1981. The slow growth of the 1970s was a continuation of a pattern established in the 1960s, when the Hungarian population increased by 3.6 percent.

Because of an extremely low birth rate of 13.3 (live births per 1000 population) and a gradually increasing death rate of 13.5 (per 1000 population), the rate of natural increase in 1981 was −0.2. This is unusual even by Eastern European standards. Pro-natalist population policies (one or more years maternity leave, for example) were legislated in 1973 to encourage more children, but families are still small.

The proportion of childless couples has increased steadily since 1949, from 27 percent of all families to 35 percent in 1980. The number of families with three or more children declined from 20 percent of all families in 1949 to only 6 percent in 1980.

Perhaps reflecting its modern tempo, the country's divorce rate has increased dramatically since 1970 — by 54 percent for women and 68 percent for men. For the first time in 1980, divorced men outnumbered widowers, but there were still three times as many widows as divorced women. Budapest contains twice as many divorced people as do the rural areas.

Regions and Cities

Budapest is the capital and largest city in Hungary. It contains approximately 20 percent of the total population. With 2 million residents, Budapest is ten times larger than the next largest city, Miskolc. Collectively called county towns, Miskolc and the four other largest cities (Debrecen, Gyor, Pecs, and Szeged) contain 8 percent of the population.

Twenty-six percent of the population (2.8 million) lives in 90 other towns ranging in size from 8,000 people (in Lenti) to 112,000 (in Nyiregyhaza). The rest of the population (4.9 million or 47 percent) lives in small villages or rural areas.

Hungary is composed of 19 counties. The greatest increase in population in the last decade (11 percent) occurred in Pest county, where

Budapest is located. Other counties that gained in population during the 1970s were Fejer (by 7 percent), Komaron (by 6 percent), and Gyor-Sopron (by 6 percent). Actual population decline occurred in only two counties, Bekes and Bacs-Kiskun. The rural population of every county except Pest declined while their towns and villages grew.

Towns other than Budapest experienced the most growth during the 1970s. Their numbers of residents rose from 3.1 to 3.6 million during the decade, increasing their share of the population from 30 to 34 percent. Seven of the middle-sized towns grew by more than 33 percent during the 1970s, while most of the rest experienced moderate growth. Although six towns experienced no population growth between 1970 and 1980, none actually lost population.*

Budapest's share of the total population decreased for the first time during the 1970s, from 19.4 percent in 1970 to 19.2 percent in 1980. Even though the proportion of the population in the capital declined, the urban population became a majority in the country for the first time in 1980. Hungary is now 53 percent urban.

Sex and Age Distribution

By 1980, Hungary had largely recovered its loss of males from World War II. The sex ratio (number of males per 100 females) in 1980 was 93.9, comparable to that for the U.S. (94.8).

Average life expectancy at birth for Hungarians was 67 for men and 73 for women in 1979. These ages are slightly lower than U.S. life expectancies, partly because of higher infant mortality rates in Hungary (23 infant deaths per 1,000 live births) than in the U.S. (12 per 1,000).

Twenty-two percent of the Hungarian population is under age 15, almost identical to the U.S. Almost 36 percent of Hungarians are aged 15 to 39, 25 percent are aged 40 to 59, and 17 percent are 60 years old and over (11 percent of Americans are aged 65 and over).

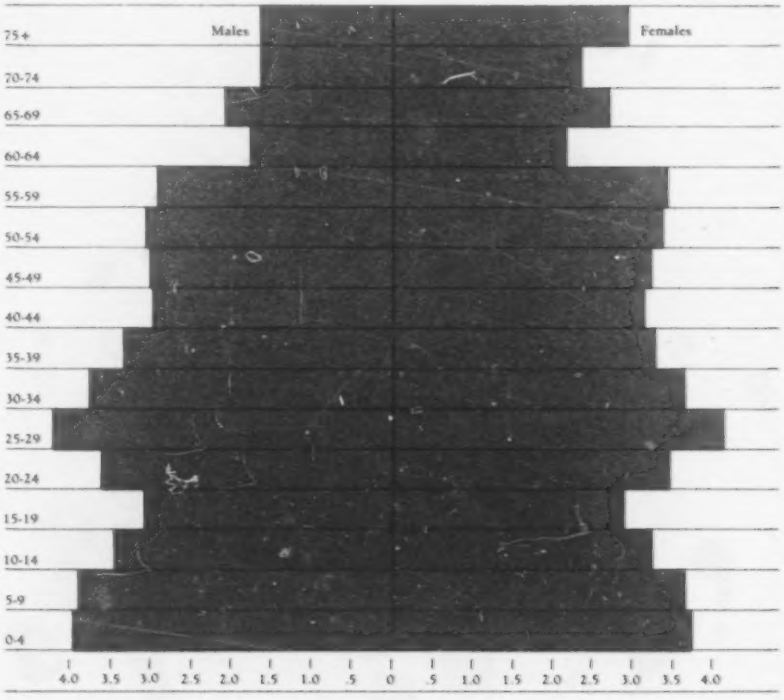
Children under age 15 were the fastest growing age group during the 1970s. However, an overall growth rate of 8 percent masks some important differences within that age group. Since 1970, the number of children under 5 grew by 25 percent and those 5 to 9 grew by 20 percent. But the number of children aged 10 to 14 fell by 15 percent, reflecting lower fertility between 1962 and 1966.

Several decades of a fluctuating birth rate have caused similar inconsistencies all the way up the age lad-

**The seven towns that grew by more than one-third are: Dunaujvaros, Kazincbarcika, Nyiregyhaza, Szekszard, Szekesfehervar, Veszprem, and Zalaegerszeg. The six towns that experienced no growth are: Csongrad, Hajdunanas, Hodmezovasarhely, Mako, Mezotur, and Turkeve.*

Population of Hungary by Age and Sex, 1981

(percent)



AGE GROUP (years)	Persons	Males	Females
TOTAL	10,712,781	5,188,095	5,524,686
0- 4	822,948	422,732	400,216
5- 9	813,002	418,281	394,721
10-14	720,353	371,361	348,992
15-19	640,929	330,348	310,581
20-24	759,419	387,355	372,064
25-29	911,313	462,396	448,917
30-34	790,705	399,527	391,178
35-39	712,033	355,220	356,813
40-44	659,813	317,979	341,834
45-49	667,973	321,826	346,147
50-54	688,976	328,484	360,492
55-59	676,480	311,484	364,996
60-64	421,043	187,206	233,837
65-69	509,443	220,194	289,249
70-74	428,192	176,966	251,226
75-79	272,474	104,842	167,632
80-84	150,353	51,959	98,394
85+	67,332	19,935	47,397

der. The number of 15-to-19 year-olds fell by almost 30 percent between 1970 and 1980, while the number of 25-to-29 year-olds grew by more than 20 percent. The population aged 40 to 59 grew by 5 percent during the decade. The population aged 60 to 64 (the small cohort born during World War I) fell by 33 percent, while the number of persons aged 65 and over grew by 22 percent. Those aged 75 and over rose by more than 33 percent between 1970 and 1980.

Households

A household in Hungary is a group of persons living together in a common dwelling or part of it, sharing the costs of living together, and taking meals together once or more a week. There are both family and nonfamily households. Families are defined as a group of persons living together and related by blood, marriage, or adoption, and include couples without children or with never-married children; a parent without a spouse; and partners living together without a legal marriage.

Non-family households consist of one-person households (the term translates from the Hungarian as "lonely persons living quite alone") and part-families. A part-family is formed by related persons living together (i.e. brother and sister or in-laws); one parent with a widowed or divorced child; or a grandparent with a grandchild or great grandchild.

It is possible for two households to share the same dwelling, (even if it is only two rooms) depending on tenure status. Dwellings occupied by co-tenants are those rented by two or more households and are considered separate tenants on the basis of allocation by the government housing office. If the household consists of only one family, then the family and household are usually the same (if several families share a common household, it is a multi-family household). A one-family household might differ from the family, however, if there is a nonrelative (e.g. servant or foster child) living in the same household but not as part of the family.

In 1980, there were 3.7 million households in Hungary, a 9 percent increase from the 3.4 million in 1970. Of these, 2.9 million were family households, 94 percent of which were one-family households. Approximately 720,000 persons lived alone in 1980, and their number has risen more quickly in the past decade (up 22 percent) than the number of family households (up 7 percent). About two-thirds of all one-person households are female, and nearly one-half are widows.

One-*family* house'olds constituted 73 percent of all households in 1980, while one-*person* households accounted for 19 percent. Multi-family households were 4 percent of the total and all other types equalled 3 percent of the total. The proportion of family households is highest in rural areas, while one-person households are most common in Budapest.

The average number of persons per household declined from 3.1 in 1960 to 3.0 in 1970 and 2.8 in 1980. The average number of persons per household is lowest in Budapest, but declined in all parts of the country.

The number of two-family households decreased by 13 percent between 1970 and 1980. Of the 157,000 such households, the vast majority consist of parents living with their children's family. The decrease in the number of two-family households reflects an improvement in housing conditions so that parents and children do not have to live together. The number of households with five or more persons has also decreased. Twenty years ago these households made up 17 percent of the total, compared with only 10 percent in 1980.

Housing

A housing unit in Hungary is a room or group of rooms, built as a dwelling or converted to a dwelling, either occupied or unoccupied. A dwelling is a separate unit of rooms with a separate entry from a street or from a common stairwell or corridor within a building.

A dwelling can consist of one *room*. Many dwellings can exist in one housing unit, and may consist of one room with access to a common kitchen.

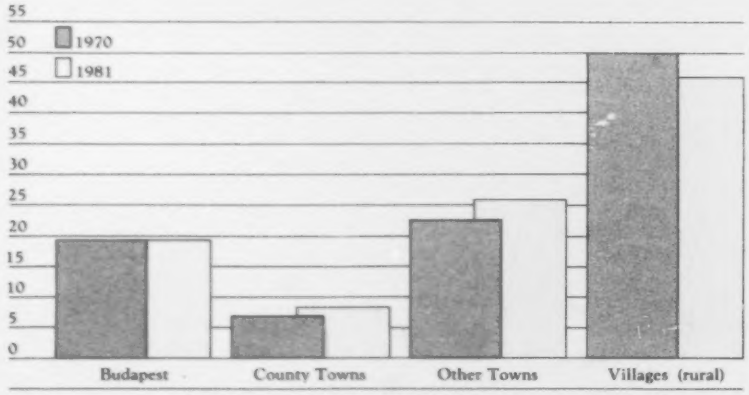
In 1980, there were 3.5 million dwellings in Hungary, an increase of 13 percent since 1970. The number of dwellings increased more rapidly during the 1970s than at any other time since the end of World War II. Between 1970 and 1980, 846,000 new dwellings were built, a net gain after demolitions of 418,000.

The housing stock increased most rapidly in provincial towns (by 27 percent), to a lesser extent in Budapest (by 16 percent), and by 5 percent in rural areas.

For the first time, the two-room flat is now the average type of dwelling in Hungary. More than 90 per-

Hungary: Population Distribution by Urban and Rural Residence, 1970 and 1981

in percent



Totals have been adjusted to reflect boundary changes since 1970

From the Statistical Pocket-book.

cent of all new units built during the last decade were two or more rooms. One-room flats equalled 63 percent of all dwellings in 1960, 46 percent in 1970, and only 27 percent in 1980. Two-room dwellings have increased from 33 percent of the housing stock in 1960 to 49 percent in 1980. Three- or more-room flats rose from 5 percent to 24 percent of all dwellings between 1960 and 1980.

Of all occupied dwellings, 71 percent were owner-occupied in 1980, up from 67 percent in 1970. Ownership rates were highest in rural areas (91 percent) and lowest in Budapest (38 percent). The state owns 25 percent of all occupied dwellings. The other 75 percent is personal property. These figures vary greatly by location, however. Although only 21 percent of all housing is in Budapest, almost half (47 percent) of all state housing is located there. In rural areas, 92 percent of all dwellings were privately owned in 1980.

Dwellings are classified by presence or absence of "comfort." A dwelling with comfort is one with a bath and flush toilet; half-comfort is either a bath or flush toilet; and without comfort is the absence of both. Over 50 percent of all dwellings had complete comfort in 1980, up from 25 percent in 1970. Those with partial comfort increased from 10 to 12 percent of all dwellings, and those without comfort declined from 66 to 37 percent of all dwellings.
of all dwellings.

Almost all (98 percent) dwellings have electricity, and the proportion with piped water increased from 36 percent in 1970 to 65 percent in 1980. There are not many regional differences in availability of electricity, but the proportion of dwellings with piped water decreases from a high of 94 percent in Budapest to 77 percent in other towns and 42 percent in rural areas. The presence of a flush toilet ranges from 81 percent in Budapest to 67 percent in other towns and 30 percent in rural areas.

Education

As in other European countries, literacy is nearly universal in Hungary. Primary education was made compulsory after World War II. The school system is divided into three levels. First-level is equivalent to primary school (grades 1 through 8); the second level is secondary schooling and includes apprentice and vocational schools in addition to academic schools; and the third level is the equivalent of college or university training.

The proportion of the population with a secondary education grew from 14 percent in 1970 to 24 percent in 1980. Persons having completed third-level (higher) education rose from 3 percent to 5 percent of the population between 1970 and 1980. The number of women completing second- and third-level school has increased more rapidly than the number of men. Between 1970 and 1980, the number of male college graduates increased by 40 percent, while the number of female graduates increased by 113 percent. There is still a smaller proportion of female than male college graduates, however (4 percent vs. 6 percent in 1980).

Of Hungary's half-million college graduates, the largest proportion, 37 percent majored in education, science, and culture. Almost 18 percent graduated with engineering degrees and 10 percent with agricultural degrees in 1980. The fastest growing areas of specialization were transportation, communication, and water supply (from 4,500 to 10,500 graduates between 1970 and 1980); education, science, and culture (from 97,900 to 179,800 graduates); and economics and trade (from 22,500 to 41,300 graduates).

The shift in interest to more technical education reflects Hungary's new five-year plan that emphasizes energy efficiency and conservation.

Hungary also encourages cooperation and joint ventures in such areas as heating and cooling systems for manufacturing plants located in arid areas, measurement and testing of optical instruments, computer and telecommunications equipment, and automotive industry equipment. Its college and technical-school graduates create a ready labor force in these areas.

Only 56 percent of the population aged 15 and over in rural areas had finished eight years of primary school in 1980, compared with 78 percent in Budapest and 74 percent in other towns. The proportion of persons 18 and over with a secondary education is over three times higher in Budapest than in rural areas (39 percent vs. 12 percent).

The Labor Force

The Hungarian census divides the population into "economically active persons," "inactive earners," and "dependents." Economically active persons are those with a gainful occupation, with earnings income, employed, or members of a cooperative. Inactive earners are those who have no gainful occupation but receive income such as a pension, child care allowance, or rental income. Dependents are those who are not economically active, and are supported by private persons or institutions.

In 1980, 47 percent of the Hungarian population was economically active, a slight decline from 48 percent in 1970. This drop reflects the passing of a small baby boom from the 1950s that entered the labor force in the late 1960s and early 1970s. By mid 1970, the boom peaked and participation rates began to decline.

Also, many young people have stayed in school longer, further reducing the labor pool. Simultaneously, the elderly population has grown, increasing the number of pensioners on Hungary's general social security system. There also has been an increase in the number of early retirements (i.e. before age 60 for males and age 55 for females), and a continuous growth in the number of disabled pensioners (now equaling 350,000).

Population growth in Hungary has not been able to make up for the labor force losses of men through death and retirement. Thus, in the last two decades, jobs previously held by men have opened up to women. In fact, all growth in the economically active population in the last twenty years can be attributed to the increasing employment of women. In 1960, women represented 36 percent of the economically active population, 41 percent in 1970, and 43 percent in 1980. Female labor force participation rates increased from 33 percent

of all women in 1960 to 39 percent in 1970 and 40 percent in 1980.

The shortage of younger workers, combined with earlier retirements and almost full employment of women means that Hungary will be faced with labor shortages in the coming decades, another factor to consider in establishing new manufacturing ventures there.

The extensive restructuring of the Hungarian economy during the 1960s is evident from statistics on the economic activity of the population. In 1950, 50 percent of workers were employed in agriculture and 19 percent in industry. Just thirty years later, 33 percent of workers were employed in industry and less than 20 percent were in agriculture.

Growth in employment in transportation, communication, and trade was rapid during the 1970s, while the number of workers in mining, manufacturing, and construction has been declining since the mid-1970s.

Despite the shift away from mining and manufacturing, it is still the largest employer in Hungary, employing 1.3 million people (37 percent of the economically active population).

Income and Consumption

The average monthly earnings of full-time workers in 1980 were highest in transportation and communications and lowest in trade, but the range of earnings is small.

According to *World Paychecks: Who Makes What, Where, and Why* by David Harrop (New York: Facts on File, Inc., 1982, $12.95) the average annual income in 1980 of persons working in manufacturing was 45,000 forints ($1,286 at the January 1, 1982 exchange rate). Agriculture workers earned the equivalent of about $1,116 and those in mining were the highest paid, about $1,950 annually.

Managers in Hungary are generally paid less than their counterparts in Western economies, but there may be important benefits such as cars and housing that go with their jobs.

Per capita annual expenditure statistics show that, after taxes, Hungarians spend approximately one-third of their income on foodstuffs, 12 percent on clothing and 16 percent on housing. Beverages and tobacco, household furnishings, and transportation and communication each account for about 10 percent of all household expenditures. The remaining 10 percent is spent on health, recreation and entertainment. Spending patterns differ by social class.

Nearly all working households have a refrigerator (about 90 percent), but even more have a washing machine (about 95 percent). Large apartment buildings lack common facilities, so each household buys its own washing machine. About three-quarters of all working households have a clothes dryer. Bicycles are more common than cars, and households average more than one bicycle each. Only about 20 percent of all working households own a car, and more households own motorcycles than cars. Non-manual workers, however, are twice as likely to own cars as manual workers, and much less likely to own a motorcycle or bicycle. Public trains are a popular means of travel to work, especially in Budapest.

Television and radio ownership are over 100 percent; that is, there is more than one per household. The average family watches two to four hours of television per day (12-18 hours per week). Record players and tape players are owned by 20 to 30 percent of all workers, with double those rates for professionals. About 40 percent of all workers own cameras, but 85 percent of non-manual workers. With the exception of radios, households with inactive earners own significantly fewer consumer durables than working households.

Hungary's rate of book production is among the highest internationally. Hungary produced 89 books per 1,000 population in 1976 compared with 39 per 1,000 in the U.S. The Church Press, run by Hungarian Protestant churches, publishes many periodicals.

Daily newspaper circulation increased to 862 million copies in 1980, an increase of 17.9 percent since 1970. The number of newspapers published, however, has remained constant at 29.

The number of sports establishments has increased by 45 percent since 1970. Indoor gymnasiums increased from 781,000 in 1970 to over 2 million in 1980. there were over 11,000 chapters of organized sports clubs and sports circles in 1980, with a total membership of over 400,000. Approximately one-quarter of all members were women in 1980.

Although many Hungarians once vacationed on the coast of Yugoslavia, they are now more likely to visit resort areas of their own, like Lake Balaton, or go to "rest homes" in the country or on the Danube River because the government wants to keep money within the country's borders. The 1980 census counted 117,000 privately owned rest units that were used seasonally.

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Consumer Durables Per 100 Households, By Household Type

	Working Class	*Cooperative Peasantry*	*Dual Income*	*Non-Manual Workers*	*Inactives*
Refrigerator	90	82	88	101	70
Boiler	41	36	38	64	27
Washing Machine	95	93	99	96	74
Spin Dryer	76	64	72	81	42
Vacuum Cleaner	78	63	69	96	51
Sewing Machine	44	40	46	49	45
Passenger Car	23	21	21	44	3
Motorcycle	24	38	46	14	6
Bicycle	114	175	185	81	62
Radio	141	119	135	175	117
Television	102	94	101	110	76
Record Player	28	18	23	49	8
Tape Recorder	39	20	31	62	5
Camera Equipment	50	28	42	85	14

Source: Hungarian Bureau of the Census 1979

**Types of households are defined by a 1975 decree. Working class are manual laborers, "cooperative peasantry" are family members and those working in cooperatives, non-manual workers are professionals. Inactives are those who have an allowance or earn rental income.*

Publications

Yearbook of World Energy Statistics, 1980. English/French. Statistical Papers, Series J, No. 24 XXV-896 pp. U.N. Sales No. E/F.81.XVII.10. $60 (clothbound only).

This volume summarizes world energy trends and includes statistics on production, imports, exports, bunkers, stock changes, and consumption of fuels for 196 countries and areas. Separate data on end-of-year capacity for industrial and public electric-generating plants and crude petroleum refineries are shown along with production of enriched uranium and production and trade of fuelwood and charcoal.

Four tables show international trade in hard coal, crude petroleum, natural gas and electricity between principal exporting and importing countries and regions.

According to the United Nations, the *Yearbook* is the only international publication providing data on all forms of commercial energy for all the countries and areas of the world.

The Demographic Situation in India, by Mahendra K. Premi, 1982, Paper No. 80 of East-West Population Institute, East-West Center, 1777 East-West Road, Honolulu, HI 96848 145 pp. inc. tables; $12/year. (Subscription includes 8 papers).

Unlike the residents in most other developing countries, residents of India are not rushing to the cities. The pace of urbanization was slower during the 1960s than the 1950s, and if the trend continues, this report says it is likely that only about one-fourth of India's population will be living in urban areas by the year 2000.

In common with other developing nations, India has had massive population growth. The increase has been due to an accelerated decline in mortality, but only a small decline in fertility. The 1981 census found 12 million more people than the government had predicted.

This report on the current demographic situation in India includes 1981 population totals, by state, current sex ratio, and series of comparative statistics on mortality, birth rates, age-specific fertility rates, migration, and population distribution. Population projections for Indian states are given through the year 2001, by urban and rural residence and by age groups.

The Japanese Way of Doing Business: The Pyschology of Management in Japan, by Boye De Mente, Englewood Cliffs, NJ, Prentice-Hall, Inc., 1982, 155 pp., $11.95.

Most initial contacts with Japanese firms are made through the *Somu Bu* (So-moo Boo), a department that has no exact counterpart in Western firms.

Besides greeting callers, the *Somu Bu* provides liaison with customers, handles company mail, coordinates interdepartmental relations, and is in charge of the switchboard, maintenance, official files, and so forth.

This is just one of the many differences between Japanese firms and U.S. firms described in *The Japanese Way of Doing Business*, a revision of a work first produced by Boye De Mente in 1961.

Each explanation is accompanied by the Japanese term that describes it, followed in parenthesis by an English-language phonetics version of the Japanese word.

Besides chapters on the structure of Japanese companies and management, there are chapters on Japanese manners and ethics, cultural barriers, and translation problems, all written to help foreigners in business understand the individual attitudes of their Japanese counterparts.

De Mente writes, for example, that even when Japanese businessmen have known Americans for a long time, they will not use their first names.

One American employer was surprised when Japanese employees who visited in the U.S. called him by his first name here, but reverted to "Mr." as soon as they arrived back in Japan. "This incident emphasizes an extraordinary dilemma in Japanese society today," De Mente writes. "After centuries of repressing their emotions, their desires, and even their spirits, for the sake of harmony in a meticulously described heirarchically ranked social system, the Japanese lost much of their ability to exercise their own individuality."

In a chapter called, "Peace & Harmony in an Up/Down World," De Mente writes of the man who acts as a go-between, *Chukai-sha* (Chew-Kie Shah).

"The advantages of using a *chukai-sha* in business are numerous and not really mysterious. In the first place, the better go-betweens know just about everybody worth knowing — or know somebody who knows them — and are respected and trusted individuals. In Japan where face-to-face communication by strangers is very difficult, the go-between can carry on most of the dialogue, help each side avoid losing face, and eventually smooth the way for the development of a formal relationship between the two parties if their interests merge."

Recognizing the importance of the *chukai-sha*, some foreign companies keep them permanently on retainer.

The International Population Census Bibliography: Revision and Update, 1945-77 (Texas Bibliography II) by Doreen S. Goyer, New York; Academic Press, 1980, $39.50.

How many censuses has each country taken? Which foreign censuses can be found in the United States, and where are they? The Texas Bibliography, as it is familiarly known, is designed to answer such questions.

This volume springs from the acquisition program of the Population Research Center at the University of Texas at Austin. The library has documents from at least 80 percent of all censuses ever taken worldwide.

This bibliography documents the library's own acquisitions as well as

continued

other collections in the United States, both public and private.

From Afghanistan to Zambia, the recent census history of 225 countries is given. Each country entry provides an address for the official statistical office, an address for the distributor of census publications, and a listing of the census publications available in libraries and their locations.

For Chile, for example, the first census available in this country is from 1952. The notation says that it is the "Twelfth general census of population and first of housing."

The general summary and four of five regional reports are available at the University of Texas General Libraries. All the reports can be found at the Population Research Center at Austin. Some of the volumes are available at the Bureau of the Census, the Library of Congress, at the International Monetary Fund Library in Washington, and some are available from a commercial microfiche publisher of censuses, Research Publications, Inc. in Connecticut.

The entries also show that there were censuses in Chile in 1960 and 1970 and the location of reports in the United States.

The most likely sources of more recent census reports are those listed for prior reports so that even though this volume goes only through 1977, telephone numbers are given to allow the reader to check on more recent acquisitions. •

Emerging/ *cont. from p. 3*

blue-collar worker going to college," Murakami said.

Migrant Remittances

The emergence of a middle class is not always dependent on economic growth within a country. If there are people being trained in the professions, the middle class may grow even if jobs are not available on national soil. That is why international migration can be an important indicator.

For example, in an article in the March 1982 issue of *Population and Development Review*, "International Migration and Development: Indians in the Persian Gulf," Myron Weiner cites examples of states on India's west coast that have an emerging middle class primarily because five small oil-producing nations — Kuwait, Qatar, Bahrain, the United Arab Emirates, and Oman — are importing two-thirds of their labor force — much of it from India and Pakistan.

Skilled and semi-skilled Indians who cannot find work at home move to one of the Persian Gulf countries. Middle class Indian communities form in the host country with their own shops, schools, social clubs. But, in addition, Indians send money home for real estate investments and to improve their families' lives. In Kerala, Weiner reports, there has been an increase in the number of cars, refrigerators, radios, and in the number of taxis.

As Keyfitz points out, once the middle class living is begun, it seems to take on a life of its own. "Those who obtain some part of it want the rest quickly; they are not willing to be held back by the slow pace that making all of their fellow citizens middle class at the same time would require. Each element brings a demand for the next. One who obtains a transistor radio wants to move up to a television set. A kind of standard package is in everyone's mind — including a home, automobile, and the means to do some traveling; within the house must be electric lighting, a refrigerator, and a television set."

Substitute Indicators

A recently published, book, *The Political Economy of Income Distribution in Egypt* (London: Holmes and Meier Publishers, Inc., 1981, $55) includes the results of a study in Cairo in which the author found a high correlation between lifestyle and income. For indicators of lifestyle he used the size of residence as measured by the number of rooms, and a weighted scale of certain durable goods such as radio, television, refrigerator, private car, and so forth.

Even though the lifestyle indicators did not correlate perfectly with middle and high income, they were slightly better than occupation and education, he found.

The chapter includes information that would assist a researcher in using information on occupation, education, and lifestyle to arrive at some conclusions about the size of the middle class in a particular country.

The International Labour Office, The World Bank, the United Nations, the European Community, among other organizations publish volumes that give information on the number of people working in various categories (agriculture, mining, manufacturing, financial services, etc.), the prices of consumer items, the number of private cars, televisions, telephones, etc. in a country per 100 households, the level of education, and so forth.

These numbers can be used to assist in constructing some estimates of the number of middle class people in a particular country. Comparisons with the demographics of prior years allow some objective indicators of whether the middle class in a particular country is growing and at what rate. •

—Doris Walsh

Hungary/ *cont. from p. 8*

These often are shared by several families on a rotating basis, as vacation condominiums are shared in the U.S.

Sources of Information

The Hungarian Central Statistical Office has published, in English, detailed data from a 2 percent sample of its 1980 Population Census. Other useful references in English from the Statistical Office are the Statistical Pocket Book of Hungary and the Statistical Yearbook, both published annually. (The Yearbook has an English translation of the summary text only). Both these volumes are available from The Statistical Publishing House, 10-12 Kaszas Street, Budapest, Hungary 1033.

A feel for Hungarian society is available from *Modern Hungary: Readings from the New Hungarian*

Quarterly, 1977, edited by Denis Sinor, Indiana University Press.

Further information on trading can be obtained from John J. Fogarasi, Desk officer for Hungary at the Department of Commerce, (202) 377-2645. •

—Daphne Spain

Sources/ *cont. from p. 12*

there is little information for regions within countries. The tables give rise to questions like, "Why are Eire and Iceland the only countries in Europe that have more men than women?", or "Why is life expectancy for both sexes lowest in Turkey and highest in Iceland." Answers to questions like these can be relevant to a marketing campaign.

International Marketing Data and Statistics 1982 is a companion volume. Costing $170, it has statistics for 100 countries in Asia, Africa, Australasia and the Americas.

Statistics about consumers in 13 Western European countries can be found in *Consumer Europe 1982: A Statistical Guide to Europe's Consumer Markets*. Statistical profiles of more than 250 consumer products include household expenditures, and per capita consumption and use in 1975 through 1979, with estimates for 1980. Gale sells this Euromonitor publication for $130.

Other Gale directories with an international focus are the *International Research Centers Directory*, *Countries of the World and Their Leaders Yearbook*, *International Who's Who*, and *Directory of International Business, Travel, and Relocation*, which includes demographic statistics businesses could use to determine how to pay employees for traveling or relocating overseas.

The "Gale Catalogue for Managers and Administrators," available for free, contains full details.

The address for Gale Research Company is Book Tower, Detroit, MI 48226. Telephone (313) 961-2242. •

ATW/ *cont. from p. 2*

Rapid Growth in Africa

Interviews with African officials and private opinion makers in Lesotho, Tanzania, Senegal and Togo show they do not always understand the relationship between economic development and population growth.

According to a report by Leonard H. Robinson, Director, and Suzanne E. McLees, researcher, at the International Development Study Center of Battelle Human Affairs Research Centers in Washington, the perceived causes of rapid population growth in the four countries included:

"Vast improvements in health care, including delivery and accessibility; improved sanitary conditions and the provision of potable water supplies; increased life expectancy; reductions in infant and child mortality; and strong traditions and customs favoring large families."

Some effects include the rapid growth of cities and resultant lack of jobs, the overworked agricultural land, a larger dependency ratio because fewer children are dying and adults are living longer; and a shortage of educational facilities and teachers.

None of the four countries has an official policy to slow population growth.

The authors found that policymakers and planners in the four countries were not acquainted with the link between "population growth and economic development," but that in July 1981, the first Parliamentary Conference on Population and Development in Africa resulted in "recognition of the necessity to integrate population variables in all aspects of economic planning."

With this growing recognition, the authors suggest that international population assistance to African countries must continue in order to reduce rapid population growth.

Source: *Intercom:* The International Population News Magazine, March, 1982, The Population Reference Bureau, Inc., 1337 Connecticut Ave., N.W., Washington, DC 20036, (202) 785-4664, individual membership in PRB is $25 annually.

Hispanic Transfer

Companies doing business in Latin America should not overlook the link between their international and domestic Spanish markets.

Topol tooth polish, now a popular smoker's product in the United States, was launched in Venezuela, according to Martin Himmel, president and founder of Jeffrey Martin, Inc., the personal products and over-the-counter drug marketers.

Jeffrey Martin's sales are approaching $100 million, up from $36 million in 1980. Much of the growth is attributed to developing specialized products for the Latin American market, then introducing them to the U.S. Hispanic market. National distribution to non-Hispanics in the U.S. has followed introduction to the Hispanic market.

Source: *Ad Forum*, April, 1982, Agency File, Inc., 18 East 53rd St., New York, NY 10022, (212) 751-2670. Monthly, $48/year. •

Conferences

The World Demographic Outlook, a conference for companies thinking of entering the international marketplace or already marketing overseas, will be held September 23 at the Roosevelt Hotel in New York City.

Among the speakers will be Bruce Chapman, director of the U.S. Census Bureau, John Eriksen, a specialist in business in Africa, and Robert Fox, a Latin American demographic specialist.

Emphasis will be on demographic analysis of new markets, how to use demographic information, and sources for demographic information.

The conference is sponsored by American Demographics, Inc. For complete information, call Ellen Marsh, Conference Coordinator, at (607) 273-6343 or write American Demographics, P.O. Box 68, Ithaca, New York 14850.

Sources

Directories from Gale Research

The first step in a research project is still to consult the reference librarian. This lesson is worth reviewing, as publishers of reference books adapt to the proliferation of data sources and data directories abound.

Gale Research Company, a Detroit-based firm is the major publisher and distributor of directories to international statistical sources for market research. It also publishes directories to associations, online data bases, consultants, and other sources business people care about, and distributes directories foreign publishers have developed.

Gale bills its *Statistics Sources* as "a subject guide to data on industrial, business, social, educational, financial, and other topics for the United States and internationally." This directory is organized dictionary style by topic.

If you're interested in Angola, the first of approximately 50 entries for that country lists its statistical office, the office address, and its major publications. But if you want a specific piece of information, you don't have to write Angola and wait for a reply. The other entries guide the reader to Angolan data published in reference books that are easy to find in this country and that libraries are likely to stock. If you want to know how many tractors are in use in Angola, *Statistics Sources* tells you to look in the United Nations' *Statistical Yearbook*. Or if you need to find out the characteristics of the Angolan merchant fleet, the U.S. Maritime Administration has some information on it.

Now in its seventh edition, *Statistics Sources* costs $130. Like all the Gale directories, it is available on a 90-day approval basis.

Detailed information on statistical sources abroad is contained in three directories that Gale distributes for a British publisher called CBD Research. *Statistics — America* describes the main sources of statistics for economic, social, and market research for each country of North, Central, and South America, including the neighboring islands.

Say you're thinking of marketing your product in Brazil. Entries under Brazil start with an account of the central statistical office, its address, and the scope of its activities. Descriptions of at least 70 statistical publications follow, including the title, the originating organization, its address, the price, and the frequency of data collection and publication. You'll find that reports from the Brazilian Census of 1970 weren't issued until 1974 and 1975, but you'll also find out about the *Boletin Demografico*, which the census-taking office puts out yearly.

The 1980 edition of *Statistics — America* costs $160. Parallel directories are *Statistics — Europe*, which includes Turkey and the USSR, and *Statistics — Africa*, which lists all the data publications you can write to Angola for, if the ones listed in *Statistics Sources* are insufficient. The 1981 edition of *Statistics — Europe* costs $150, and the 1978 edition of *Statistics — Africa*, the most recent one available, costs $110. A companion volume, *Statistics — Asia and Australasia*, costs $65. Published in 1974, this directory only covers market research sources, although future editions will add social and economic sources.

Gale sells a *Statistical Yearbook* for ten socialist countries — Eastern Europe plus Cuba — that are members of the Council for Mutual Economic Assistance. The book includes comparative data for countries and population as well as economic statistics.

Since the Gale publication is an English translation of the Council for Mutual Economic Assistance official yearbook, the statistical tabulations have a strong socialist flavor. Instead of the familiar tables showing population according to occupation or income, there is a table showing population distribution according to social group: workers and employees; peasants, craftsmen, and artisans in cooperatives; the same not in cooperatives; professionals, and others. No country found any "others" in its most recent census; the Soviet Union didn't find any professionals or any peasants, artisans, or craftsmen who weren't in cooperatives either. Data in the most recent edition, which costs $80, are shown for 1979 whenever available.

Another research tool is Gale's *Subject Index to Sources of Comparative International Statistics*, which indexes the contents of more than 350 statistical publications from around the world. Each entry tells how the statistics are presented, in what units, with what frequency, and for which countries.

Researchers interested in how people spend their money in different countries will find that data is available on expenditures on alcoholic drinks in Western hemisphere countries only, and on chocolate and sugar confectionery only for the sweet-toothed Britons. Published in 1978, the *Index* costs $210.

A compendium useful for marketing in Europe called *European Marketing Data and Statistics 1982* offers data for 26 countries in both Western and Eastern Europe. The 18th edition, which costs $170, has data on population, employment, production, trade, standard of living, consumer expenditures, and consumption. A 30-page section called "The European Household" summarizes changes in household size and structure over the last 10 years.

The tables are designed to facilitate comparisons by country;

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INTERNATIONAL DEMOGRAPHICS™

Vol. 1, No. 6 September 1982

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Jon Rea

Country Clusters

At least four countries are now modernizing at a rate almost as rapidly as Japan's over the past two decades, according to A. W. Clausen, president of The World Bank. The four are Brazil, Korea, Mexico and Malaysia.

Speaking to the Annual World Trade Conference in Cleveland earlier this year, Clausen said these countries have "dramatically expanded their share of world trade, investment, and output," and that they have moved beyond the traditional "developing country" category, yet do not easily fit a "classic rich country-poor country stereotype."

Clausen described what he called eight country clusters of "high economic significance." He said there is nothing "definitive or magical about the number eight," but added, "as reference points, they shed light on the current dynamics of the global economy, and on its probable future directions . . ."

Clausen's first group includes the newly industrializing countries mentioned above.

Second are the "capital surplus, oil-exporting countries of the Middle East." These countries have launched domestic development programs, but still have money available for international investment. Even with the soft oil market, Clausen says, "they remain a very substantial factor in the global economy."

Clusters three through six are ones of high industrialization: Western Europe, North America, Japan, and Eastern Europe — each changing and with its own tempo, Clausen said.

Another significant economic group, The World Bank president said, is "the vast populous nations of Asia — China, India, Indonesia, Bangladesh, and Pakistan."

"In the face of immense difficulties," he said, "they have achieved very substantial progress in agriculture. The combination of improved domestic policies, redoubled local efforts, mobilized savings, and sound investment has had remarkable success. India, for example, which suffered chronic shortages in the past, is now a net exporter of grain. Pakistan achieved near self-sufficiency and even Bangladesh, in spite of many obstacles has been able to reduce food imports."

The eighth cluster of economic activity defined by Clausen is Sub-Saharan Africa. "It is by far the poorest part of the world economy and hence its greatest challenge. In

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the decade of the 1970s, 18 of the countries in the region actually suffered a decline in their already desperately low income per capita."

"The present projections for the 1980s," Clausen continued, "indicate virtually no growth in that income for the majority of the countries in the area."

However, he said, "projections are not predictions. It is not only possible—but imperative—that through the intensified efforts of the countries themselves, combined with greater assistance from the international development community, that the decline and stagnation of the past decade be reversed. The turnaround in Sub-Saharan Africa can be achieved. It is in the interest of the entire world economy that it succeed." •

Around the World

Of Jobs and Children

Access to education and outside employment are two important elements in reducing worldwide fertility, according to the World Fertility Survey, the largest social science project ever undertaken. To date, more than 300,000 women in 19 developed and 41 developing countries have responded to the survey.

Birth rates are falling in most countries. Studies show that most women in developing countries would prefer to have fewer children than they do.

Although education helps reduce unwanted births, improved education often raises fertility levels at first, because it encourages women to cease breastfeeding in favor of bottlefeeding, which they perceive as more modern. Since breastfeeding inhibits ovulation, the bottlefeeding mother becomes pregnant sooner if she doesn't use a contraceptive.

In such countries as Bangladesh, where only 8 percent of fertile women use contraceptives, a fashion for bottlefeeding could lead to an explosive baby boom.

"With few exceptions," says John Cleland, a senior analyst at London's International Statistical Institute, "fertility is highest among women who have not worked since marriage and lowest among women who work for a nonfamily member."

When a high proportion of the population is engaged in farming, children are a benefit. But when large-scale, high-technology farms replace family farms, women are more likely to work for wages rather than on family plots. Babies, in these circumstances, may be more of a burden than an asset.

If daughters can earn money, there is less pressure to have a son, and less pressure to marry daughters off early. And if financially productive daughters marry later, the length of time between generations widens as well.

Source: *Popline*, June 1982, Population Institute, Population Action Council, 110 Maryland Ave., N.E., Washington, DC 20002. Monthly/$25.

China Bird

The United States and China will share a two-hour special featuring Big Bird of Sesame Street next winter.

Professor Gerald S. Lesser, chairman of the Human Development area and Director of the Center for Children's Television at Harvard University has completed an agreement with Chinese television officials to co-produce three different television ventures.

Source: *Harvard Graduate School of Education Association Bulletin*, Summer/Spring 1982, 35 Longfellow Hall, Appian Way, Cambridge, MA 02138.

Gabonese Consumers

The U.S. Commerce Department predicts a high level of sales of imported consumer goods in Gabon through 1983.

With a population of about 700,000, Gabon is located on the West Central coast of Africa. In 1981, Gabon ranked sixth in importance among the U.S. trading partners in sub-Saharan Africa, after Nigeria, South Africa, Angola, Cameroon, and Zaire.

Per capita income in Gabon in 1980 was $2,591. Its relatively high per capita income and large, wealthy expatriate population creates a larger market for consumer goods than might be expected.

Rice, canned fruits, vegetables, fish, snack foods, and meats, household appliances and other housewares, stereo equipment, tape recorders, video games, and sporting goods of all types, particularly those related to the beach and other maritime activities are promising, according to the Commerce Department.

Source: *Marketing in Gabon*, Overseas, Business Report, June, 1982, Publications Distribution Room 1617, U.S. Department of Commerce, Washington, DC 20230 or contact Commerce district offices. •

Conference Reminder

The World Demographic Outlook Conference sponsored by American Demographics will be held on September 23 at the Roosevelt Hotel in New York City. For more information, or to register, call Ellen Marsh, conference manager, at 607-273-6343.

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The Foreign Advisor: Planned Obsolescence

U.S. businesses may find themselves asked to provide advice to foreign governments or firms. This is a more difficult role than it may seem, particularly since responsibility for decisions rarely rests with advisors, who must be prepared to have their advice rejected.

Advisors serve many roles, and companies should be clear in advance about what they expect from such a position. Understanding the likely problems advisors face and how American advisors function in a different culture can assist companies in deciding who to send as an advisor and can help the advisor find a productive role overseas.

It is important to decide whether the advisor should be a generalist or a specialist. A generalist with no special skill may find that everything he does can be done better by one or another of the people he is supposed to advise. To be effective, he should have something he can do unquestionably better than anyone else. The best solution probably is to hire someone competent in a specialty but with broad knowledge as well.

Whether the advisor is to be a strong leader or a permissive suggestor is usually not a function of the advisor's personality but largely a matter of the personalities of the top three or four local leaders with whom he will work.

An often neglected question is the relative ages of the advisor and local partner, especially in many developing nations where age is a status factor. An advisor who is older than the local partner may be accorded automatic respect, but he may never receive frankness or achieve an easy face-to-face friendliness. A younger advisor, on the other hand, may be bossed by an aggressive partner.

An advisor can be a hard arguer or a gentle persuader. In cultures in which argumentation is normal, as in Arabic societies, an advisor should be prepared to argue bluntly and even appear angry with his advisees. In cultures emphasizing politeness and avoidance of conflict, as in the Orient, it is wisest to sow one's seeds of suggestion and then patiently wait a month to see whether a flower grows.

One of the touchiest points of advising is the nature of the association between the advisor and the local partner. There are two poles, with a range in between: friendly-informal or formal-impersonal. Which is best depends on the degree of formality present in the society generally, on the personalities of the advisor and the ranking local staff, on the table of organization, and on the relative statuses of the advisor and the local. Often it is best to have two ways of relating, one for inside the office ("Mr. Aaron"), and one for outside the office ("Hank").

Recurring Problems

Thinking ahead can minimize problems associated with any overseas job.

- Lack of adequate communication: for a European or American advisor, one of the most irritating—or even humiliating—experiences is to have one's remarks ignored. But advisors to Oriental and some other cultures need to learn that the most polite way to reject unwanted advice is to pretend not to hear it. This behavior should be recognized not as an insult, but simply what it is—the polite form of disagreement, and therefore a form of communication. An advisor newly arrived in an unfamiliar country would do well to locate a good instructor in the local nuances of inter-office communication—that is, the use and misuse of paper versus oral memoranda, of saying it in person versus sending a subordinate, or of just walking into the local partner's office versus telephoning first to announce the visit.
- Culture shock: Advisors know already that they will have to deal with a strange new set of forms of politeness and other behavioral rules, but it rarely seems to occur to advisors that they represent a potential source of culture shock to the local personnel, who have to face—and perhaps conform to—our curious foreign methods of reporting expenditures, requesting favors, or even meeting new people. Whereas in the United States a visitor can walk into a business office freely, in Morocco he must have an invitation. In French-speaking nations it is insulting to omit "Monsieur" before a name, and first names are used rarely; but in Thailand, I was addressed formally as "Dr. Ralph," informally as "Khun (Mr.) Ralph," and by friends as "Ralph." Despite their superficiality, forms of politeness sometimes are taken with deadly seriousness.
- Insufficient labor pool of educated persons in the organization: This is an almost-universal fact of life in developing nations. About the only thing to do is to decide to let it slow you down as little as possible, and not to let it get you down entirely.

The standard solution is to send some of the local staff abroad for further training, but this long-run solution contains the drawback of making the personnel shortage even worse in the short run.

One obvious step in almost any country is to hire more women and train them to do skilled work; but in many nations, this flying in the face of social norms could result in the loss of the advisor's credibility. Trying to advance women's liberation, no matter how slightly, in an Arab country would be unavailing at best and tampering with the culture at worst.

Above all, advisors need to have a flexible personality. They should be nearly unflappable. As it is impossible to know other cultures well enough to anticipate all of the incensed feelings and time-wasting cross-purposes that may arise, successful advisors often fall back on an

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